

FOR MORE INFORMATION

Division of Insurance Administration
615.741.3590 or 1.800.253.9981
www.state.tn.us/finance/ins/

BlueCross BlueShield
(Medicare Supplement)
1.800.221.7828

This document is intended to provide a summary of eligibility requirements for the continuation of insurance coverage at retirement. For detailed information, please consult your agency's insurance preparer.

If you require this publication in an alternative format, please contact the DIA Communications Office at 615.741.8669.



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CONTINUING INSURANCE AT RETIREMENT

Local Government Plan

Non-TCRS Participants

CONTINUING INSURANCE AT RETIREMENT — LOCAL GOVERNMENT NON-TCRS

Continuing Coverage at Retirement

All covered local government employees who meet the qualifications may continue medical insurance at retirement for themselves and covered eligible dependents (spouse and/or children). Retired employees may continue coverage until they become eligible for Medicare. Covered dependents will also be allowed to continue coverage until they become eligible for Medicare or no longer qualify as eligible dependents. Participants who are eligible for Medicare may enroll in a Medicare Supplement Plan. For individuals to continue insurance benefits, the agency from which they retire must continue to participate in the local government plan.

Individuals Not Eligible for Medicare

Service Requirements

Eligible retirees must have at least ten years of employment to continue insurance coverage. For the purpose of continuation of insurance, local government service means service with the agency from which the employee is retiring. Accumulated unused sick leave may be counted. Military service that did not interrupt employment, educational leave, leave of absence, employment with an agency participating in the state or local education plans, or service with another local government agency cannot be counted.

The eligibility guidelines for continuation of insurance coverage are as follows:

- Ten years of service **with the agency from which they retire**, must be age 55 and at least three full years of coverage under the plan immediately prior to retirement. Coverage must begin immediately upon

retirement, unless the retiree goes to work for another agency participating in a state-sponsored plan.

- 20 years of service **with the agency from which they retire**, must be age 55 and at least one full year of coverage on the plan immediately prior to retirement. Coverage must begin immediately upon retirement, unless the retiree goes to work for another agency participating in a state-sponsored plan.
- Public safety employees (police and firemen) who are age 50 and have at least 25 years of creditable service **with the same agency**. In addition, the retiree must be covered by the local government plan for at least one full year immediately prior to retirement and must qualify for an unreduced benefit. To qualify for this benefit, the agency must provide documentation of their separate retirement system and the governing board must pass a resolution to allow these participants to maintain their coverage. The documentation must be submitted to the Division of Insurance Administration before continuation of coverage will be approved.
- At least 30 years of service **with the agency from which they retire** and be covered at least one full year on the plan immediately prior to retirement.

The one-year and three-year participation requirement will be waived if the local government agency has not participated in the plan for that length of time.

Application

Eligible employees who wish to continue insurance coverage through the local government plan after retirement should submit an

Application for Continuation of Insurance to the Division of Insurance Administration (DIA). Applications may be obtained from your agency insurance preparer or by calling DIA.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they were on the medical insurance at the time they retired and were eligible to continue that coverage by their length of service, length of participation in the Plan and meet **one** of the following late applicant requirements.

- Be approved by medical underwriting by submitting a completed medical questionnaire; **or**
- Meet a Special Enrollment Provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA). Some qualifying events under HIPAA include loss of other group coverage due to death of spouse, divorce, termination of spouse's employment, legal separation, loss of eligibility, loss of TennCare, spouse's employer ceases total contribution toward health insurance, spouse's number of work hours required for insurance eligibility are reduced or they acquire a new dependent through marriage, birth or adoption. An Application for Special Enrollment by Qualifying Event must be completed and postmarked within 60 days of the loss of coverage or acquisition of the new dependent. Appropriate documentation must also be submitted.

Retiring employees must continue in the same health insurance option they were enrolled in immediately prior to retirement. Any retiree who is enrolled in a Health Maintenance

Organization (HMO) or Point of Service (POS) option and moves outside the service area will be allowed to enroll in another option. Out-of-state retirees must enroll in the Preferred Provider Organization (PPO) option.

The state conducts an annual transfer period from October 15 through November 15. Changes made during this time become effective the following January 1. Retirees will receive notice each year concerning available options.

Premiums

Local government retirees are not required to receive a monthly retirement check in order to continue coverage under the local government plan. Retirees will be billed directly by DIA each month or they can elect to pay by bank draft. If the retiree's former employer elects to pay all or a portion of the premium, DIA will bill the agency for the full amount and the retiree must make arrangements with the agency to pay their portion of the premium.

Claims

Retirees who continue their health coverage will use the same insurance identification card that was used while they were actively employed. The claims process will be the same. Any questions regarding payment of claims should be directed to the insurance company.

Coverage for Dependents

Retirees may continue insurance coverage for a spouse or dependent child if the individuals were covered at retirement and are not eligible for Medicare Part A. Dependents may continue coverage as long as they meet plan eligibility requirements. Newly acquired dependents must be added to the plan within 60 days. Notify DIA to add dependents to your coverage.

Upon the death of a retiree, a covered spouse or dependent will receive six months of free insurance coverage. Dependents of a deceased retiree may continue coverage only if they were covered by the plan upon the retiree's death **and** are not eligible for Medicare by virtue of age. They may be eligible for COBRA coverage for up to 36 months or until they become Medicare eligible.

Disability Participants

Employees who qualify for disability retirement may continue coverage if they participated in the local government plan at the time the injury or illness which resulted in the disability occurred. Coverage will terminate once the retiree becomes eligible for Medicare Part A. Disability participants must have at least five years of service with the agency from which they are retiring to qualify.

Employees who are granted a service retirement but are also disabled must prove that total disability exists at the time of retirement. Proof of total disability must be shown by submitting an Award Letter from the Social Security Administration or approval by TCRS based on physician review of medical records documenting the disability. The required proof must show total disability existed at the time of termination of employment.

Dental Insurance

Employees who wish to continue dental benefits at retirement must continue under COBRA. Information is automatically sent upon cancellation of active coverage.

Individuals Eligible For Medicare

Any retired local government employee or dependent eligible for Medicare Part A will be offered the Medicare Supplement Plan 3 option. Covered dependents will be allowed to continue

coverage until they become Medicare eligible or no longer qualify as dependents. To enroll, you must submit an application for either Plan 3 or the BlueCross 65 in order to obtain the Medicare Supplement.

BlueCross 65

Non-TCRS local government retirees will be offered BlueCross 65 through the plan administrator. Local government retirees or covered dependents may request the BlueCross 65 supplement application from BlueCross at 1.800.221.7828. Applications should be submitted directly to the plan administrator within one full calendar month. Please note the effective date requested at the top of the application. The effective date should be the first day of the month following the termination of your local government coverage. Once your application has been approved, you will receive an identification card showing the subscriber's name, identification number and effective date. BlueCross will bill you directly for your Medicare supplement.

End-Stage Renal Disease

Retirees eligible for Medicare as a result of end-stage renal disease should contact DIA immediately.

Returning To Work

Group Health Insurance

Returning to full-time employment with an agency that participates in a state-sponsored plan will result in the termination of retiree group insurance coverage. DIA should be contacted immediately when returning to active service.